

Committee on Resources, Full Committee

- - Rep. James V. Hansen, Chairman

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Witness Statement

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Testimony

Conservation and Reinvestment Act, H. R. 701

House of Representatives Committee on Resources

The Honorable V. James Hansen,

Chairman

June 20, 2001

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National Conference of State Historic Preservation Officers

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Commission

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I. INTRODUCTION: EXPRESSION OF THANKS

Thank you, Mr. Chairman, for the opportunity to speak to the committee. My name is Ted Sanderson. I'm

the director of Rhode Island's Historical Preservation & Heritage Commission and President of the National Conference of State Historic Preservation Officers.

The National Conference of State Historic Preservation Officers extends its thanks to House Resources Committee Chairman James Hanson for including the Historic Preservation Fund as Title V of H.R. 701, the Conservation and Reinvestment Act at its historically authorized level of \$150,000,000. The National Conference further thanks Chairman Hansen, Ranking Member Rahall, and the Resources Committee for an invitation to testify on behalf of H. R. 701, particularly Title V.

The National Conference of State Historic Preservation Officers strongly endorses the concept of H.R. 701 to provide predictable, automatic withdrawals from the Historic Preservation Fund to States and tribes.^{[1](#)}

II. CONSERVATION AND REINVESTMENT ACT: A PROMISE KEPT FOR AMERICA'S HERITAGE

When Congress created the Historic Preservation Fund in 1976 it made a promise to America's heritage. A part of the proceeds from sale of non-renewable oil and gas resources would be used to fund the long-term conservation of historic places. Less than a year ago, thanks to the leadership of the Honorable Joel Hefley, Representative from Colorado, Congress again renewed its promise of an annual deposit of \$150,000,000 into the Historic Preservation Fund (P. L. 106-208). But appropriations from the Historic Preservation Fund have fallen short of the promise, and the nation's heritage is at risk. Over the past 25 years, only a third of the total authorized revenue in the Historic Preservation Fund has ever been appropriated. For Fiscal Year 2002, funding for states and tribes would be cut by twenty percent, and the total appropriation for historic preservation would be only about half the authorized amount. The consequence of this under funding is a mounting backlog of unmet needs, historic buildings lost, and communities with few resources struggling to save their heritage. Ironically, unappropriated revenue continues to accumulate in the Historic Preservation Fund.

The funding provided by H.R.701 is essential to fulfill Congress' promise to preserve America's heritage. The National Historic Preservation Act (16 U.S.C. 470) created a partnership between the Department of the Interior and all of the states. Instead of creating a large federal bureaucracy in historic preservation, the Historic Preservation Fund enables each state to carry out historic preservation activities on behalf of the federal government.

The historic preservation program is an excellent example of federalism. Our national heritage rests in the historic buildings, sites, and neighborhoods of cities, towns, and rural areas located in each of the states. States work with the federal government and with local government to preserve historic resources. The Historic Preservation Fund pays only half the cost of the national historic preservation program. States match the federal dollars, and State Historic Preservation Offices do the actual work. The Secretary of the Interior sets standards, while governors oversee the effective operation of the program in their state. This is cost-effective government responsive to local citizens.

III. NATIONAL HISTORIC PRESERVATION ACT AND THE HISTORIC PRESERVATION FUND: A RATIONAL APPROACH TO HISTORIC PRESERVATION

The National Historic Preservation Act created a rational approach to historic preservation based on historic values and public input. States identify the historic places within their boundaries, and with the involvement of the public, produce a historic preservation plan to set priorities. Adequate, dependable, predictable funding as provided in **H. R. 701 will allow State Historic Preservation Offices to raise matching funds**

and meet historic preservation needs in cooperation with local governments, nonprofit organizations, and property owners. Congress understood that states are in the best position to have knowledge about the full range of historic properties and to make decisions in accordance with local needs and conditions. For this reason, the Act limits direct grants by the Secretary of the Interior to ten percent of the annual appropriation.

The National Historic Preservation Act specifies recipients of Historic Preservation Fund grants. Section 101(e) specifies the recipients: States, National Trust for Historic Preservation, Indian tribes and Native Hawaiian organizations, and Micronesian States. Subparagraph 101(e)(3) authorizes the Secretary of the Interior to make direct grants with the following conditions: a) the amount of Secretarial grants may not exceed 10% of the annual appropriation from the Historic Preservation Fund, b) the Secretary must consult with the appropriate State Historic Preservation Officer, and c) projects may be for National Historic Landmarks, World Heritage sites, demonstration projects, training and development of skilled labor trades, and to assist small businesses in National Register Historic Districts.

In recent years, special category grants awarded from Washington have exceeded forty percent of the annual appropriation. Coupled with low appropriations, this situation has choked the flow of funding originally envisioned by the Historic Preservation Fund. As a result, all across America in town centers and rural areas critical preservation projects are "locked out" from more than a third of the available funding. Language in Title V of the Conservation and Reinvestment Act directing Historic Preservation Fund allocations to States and tribes will correct this situation.

IV. CHANGES NEEDED IN H.R. 701

The National Conference of State Historic Preservation Officers makes the following suggestions for changes to the text of H. R. 701.

A. Section 6. Limitation on Use of Available Amounts for Administration

The National Conference agrees that the purpose of H. R. 701 is to conserve resources benefitting the Nation's heritage. Making available the full \$150,000,000 annually to States and tribes will allow sufficient funding to administer federal funds following OMB and Department of the Interior and National Park Service requirements. Administrative costs as a percentage of the total funds available declines as the size of the grant increases.

At the lesser amounts States have received historically through the budget and appropriations process, the actual cost of administration to meet federal requirements is 10%. **Should allocations to States be less than the authorized amount this section would create an unfunded mandate on State government.**

B. Section 7. Record Keeping Requirements

The National Conference of State Historic Preservation Officers questions the Committee's inclusion of additional Record Keeping requirements on State governments. At least in the case of Historic Preservation Fund expenditures, substantial record-keeping and reporting requirements are already in place in accordance with regulations previously issued by the Secretary of the Interior and the Office of Management and Budget. Recognizing the desire of Congress to minimize the use of CARA funds for administration, additional or duplicative Record Keeping should be avoided.

C. Section 8. Maintenance of Effort and Matching Funding

The National Conference of State Historic Preservation Officers believes the 30-year record of the States in supporting the Historic Preservation Fund makes this section unnecessary. Further, under the National Historic Preservation Act, the State Historic Preservation Officers are carrying out a federal government program for identification, evaluation and protection of historic properties. The Historic Preservation Fund reimburses States for roughly half the cost of making subgrants for heritage enhancement as well as for half the cost of running this federal program. Existing law and regulations require that all federal funds must be matched by non-federal funds. Therefore a reduction of state or local resources may automatically reduce federal assistance as the result of matching fund requirements already in place.

D. Section 501. Treatment of Amounts Transferred from the Conservation and Reinvestment Act Fund

1. Section 501 (3), new Section 108(b) of the National Historic Preservation Act-The National Conference of State Historic Preservation Officers recommends the addition of the word "and" after the word "States" on line 18 and the insertion of a period after the word "tribes" on that same line. Note: grants to the States, by law, include funding for local governments-not less than 10% of the States' allocation up to \$60,000,000 and, in amounts above \$60,000,00, half of the excess.

2. Section 501(3), new Section 108(c) of the National Historic Preservation Act-The National Conference of State Historic Preservation Officers has testified for thirty years about the need to increase the Historic Preservation Fund appropriations to allow for **subgrants for restoration projects, and we continue to support that position.** However, the Conference requests that this section be stricken as it limits State flexibility to respond to State needs for the following reasons.

- a. Because the Historic Preservation Fund supports a program for identification, evaluation, and protection of historic properties generally as well as enhancement and restoration of particular properties, a substantial share of HPF funding will continue to be allocated to program-wide needs.
- b. In some States such as Florida and Colorado that have major annual State funding for restoration projects, the State may need to use its Historic Preservation Fund allocation to assist in redevelopment projects, to help local governments undertake historic site survey or National Register work.
- c. Title V includes specific authorization for States to use Historic Preservation Fund allocations to assist heritage areas. Heritage areas may need redevelopment assistance, or help with survey and education activities. Section 501(3) will hamper the State Historic Preservation Officer's ability to address the genuine needs of heritage areas.
- d. Outside of heritage areas important unmet needs also exist for historic preservation -related redevelopment assistance and implementation of survey and education programs to increase public recognition and understanding for historic resources.
- e. The needs of the historic resources and sound management practices may require a short-term major investment that is not project related. A significant example is the need to make up for the past 30 years of under funding of historic site survey work to identify and record significant historic properties. In many states the current backlog in historic site survey pushes the financial burden for identification of historic places on to other federal agencies and sometimes on to private sector applicants for federal assistance.
- f. Sound preservation planning may dictate a major capital investment in digitizing information on

historic properties through computer-based geographic information systems to modernize the accessibility of information and expedite project reviews.

One response to these concerns would be to define "projects" broadly enough to include the types of activities described above.

E. Section 503. Funding for Maritime Heritage Programs

The National Conference of State Historic Preservation Officers fully supports funding for maritime heritage. This sector of the historic preservation community has been active for decades working with Congress to secure dedicated funding.

The National Conference of State Historic Preservation Officers has consistently advocated for the Historic Preservation Fund to support a historic preservation program that is truly national in scope and inclusive of all types of significant historic properties. With limited funding through the appropriations process, the National Conference of State Historic Preservation Officers has warned about the danger of "Balkanization" of the historic preservation program. When individual properties or groups of properties, no matter how worthy, obtain special, dedicated funding for their own narrow resource type, a disproportionate benefit is created that excludes the majority of resource types and fails to address truly national needs. Special category grants, awarded from Washington, have helped many threatened resources. However, sending the same amount of money through the States leads to more equal access, better pre-project evaluation, funding for more projects, assurances of matching-fund capability, and quality control over the final product.

The Conservation and Reinvestment Act will allow all Americans access to funding for historic preservation. The dependability of funding from CARA also will encourage applicants that if their project is not funded in the current year, funding will be available in the next application cycle.

V. EXPLANATION OF NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

The National Conference of State Historic Preservation Officers is the association of state officials-appointed by their governors-who carry out the National Historic Preservation Act for the Secretary of the Interior and the Advisory Council on Historic Preservation pursuant to the National Historic Preservation Act (16 U. S. C. 470). For over thirty years State Historic Preservation Officers have actively supported historic preservation authorization legislation and advocated for adequate appropriations to achieve the Congressional mandate for preserving America's heritage "as a living part of our community life." Today we are part of a broad coalition that strongly supports H.R. 701, and includes other statebased organizations such as the National Governors Association, the Southern Governors Association, the Coastal States Organization, and the National Conference of State Legislators.

VI. CONCLUSION

Everywhere in the United States historic buildings and sites are valued for various reasons: saving key historic landmarks, preserving the character of a special neighborhood or small town, helping to teach rising generations about their nation's past, economic development on traditional Main Streets, rehabilitation of housing, and revitalizing older communities. In every state, citizens recognize that the historic places close to home are also part of the heritage of the nation as a whole. That is the promise Congress originally offered in the National Historic Preservation Act and the Historic Preservation Fund. State Historic

Preservation Offices in each state are fulfilling their part of the promise by carrying out the national historic preservation program and by working with citizens and local government to raise the money to match federal funding. We ask that the Congress fulfill its part of the promise by enacting H.R. 701 to guarantee states and tribes the full authorized funding of the Historic Preservation Fund: \$150,000,000.

¹. [Return to note](#) The National Conference, while fully supporting tribal historic preservation officers as a major part of the national historic preservation program, does not presume to represent or speak for Tribal Historic Preservation Offices or tribal interests.

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